

**Emergency Medical Services Authority/
Commission on EMS**

EMS Vision Implementation Committee #1 - System Funding

Minutes for the Committees Meeting in Sacramento on Friday, October 29, 1999:

Committee Members Present:

Dennis Downs
Michael Frenn
Sheldon Gilbert
Mark Hartwig
Steve Maiero
Barbara Pletz
Tim Sturgill
Kevin White

EMSA Staff Present:

Susan French
Richard Watson

Committee Members Absent:

Ken Carter
Victoria Cleary
Wes Fields
Art Lathrop
David Nevins
Patricia Nunez
James Ridenour
Susie Smith
Mike Williams

DISCUSSION ITEMS:

Review of Minutes of September 20, 1999 Meeting

The minutes of the September 20, 1999 meeting were reviewed. Those minutes should be corrected to reflect the following:

- #2 is the Super Objective.
- Objectives 1,7, and 10 will be combined.
- Objectives 5 and 6 will be combined.
- Objectives 3 and 4 will be combined.

Objectives 8 and 9 will be set aside for now.

Review of Assignments

Sheldon Gilbert asked for a review of assignments made during the conference call and for the appointment of a lead for each sub-group.

Following are the assignments:

Group A - Barbara Pletz, Michael Frenn and Susan French will work on Objectives 1,7, and 10. Barbara will be the lead. Susan will provide the state EMSA view.

Group B - Sheldon Gilbert, Ken Carter, (Mark Hartwig as alternate), Pat Nunez, and Michael Frenn will work on Objectives 3 and 4. Sheldon will be the lead. Barbara expressed a concern that Group B should have someone from the private sector.

Group C - Tim Sturgill, Wes Fields and Barbara Pletz will work on Objectives 5 and 6. Tim will be the lead.

Any members not present at the meeting are welcome to join one or more of the groups by contacting the lead member for the group.

General Discussion

Other Committee

It was noted that some of the other groups, notably Education and personnel groups will be seeking funding for public education and the Access groups will be seeking funding to finance an enhanced 911 system. It was also noted that the Governance Committee had raised the issue of funding indirect care as a shared risk. The group discussed the difficulties in changing how funding is distributed. Those getting the funding now won't want to give it up.

Reports on research/ work assignments

Barbara Pletz reported that she and Michael Frenn had reviewed Objectives 1 and 2.

Michael Frenn passed out copies of a brief analysis of Objective 2 and it was discussed briefly.

Barbara Pletz passed out copies of a summary on LEMSA funding that she had prepared for the NHTSA Assessment. She explained how she had conducted a survey and constructed a chart showing all of the different sources of funding that local EMS agencies currently use to support their administrative activities. The findings of her funding summary were discussed. She noted that the sources of funding varied widely with state general fund money going only to a few regions. Some LEMSAs get county general fund money. Some have special assessment districts, other agencies get a large of their funding from private providers, though fees and fines,

some rely on SB 12 as funding.

It was suggested that the committee review current regions and consider redefining the definition of a region, with the idea of regionalizing all of the state. Tim asked if the group wanted to pursue a centralized or a regional approach, or both on a parallel track. The group discussed the merits of regionalization versus centralization. It was suggested that regions should be based on what makes sense, not that a region has at least three counties.

Types of financial vehicles as shown on Barbara's EMSA funding chart were discussed including fees and taxes, both regressive and progressive.

It was suggested that our discussion should center on reimbursement being tied to value provided. It was also suggested that flexibility is important. The system has to change as necessary to meet health industry's needs. These systems that receive SGF monies should be required to follow all state requirements. It was noted that if we move towards a regional model, some county general fund money will be lost.

It was suggested that in order for any new funding model to work, all of the principal state holders would have to be equal partners. Steve Maiero pointed out that the 911 surcharge is statewide, recognizing that the service is valuable to everyone, but EMS funding is not and our services is as valuable.

Tim noted that the % of funding for EMS that comes from the federal government has increased in the last 20 years from 40% to 50% and that this increase will continue. Whether or not HCFA will be responsive the change was discussed. While some felt that HCFA was not going to change how it makes payments, the group decided that we should seek a change if we decide change is needed. If we don't pursue changes, there will be none.

Tim asked if we want to proceed with a value based model, and if so, what are the terms of the value that we will use. We need to demonstrate the value of EMS. Data will be required to do that. It is important to have all the players at the table to define what is of value to each of them.

The group discussed whether we have all the players on our committee that we need. The group discussed the need to have Kaiser or another HMO member on the committee. It was noted that whatever Kaiser does affects the market and what everyone else does. Someone noted that they had talked to some Kaiser managers and they had suggested that we contact the National Assoc. of Health Plans and ask for a representation.

Steve Maiero asked if we shouldn't define a minimal level of EMS services statewide and have the state pay for that. It was suggested that we brainstorm all of the services and funding that make up EMS. What the public expects of EMS was discussed. It was suggested that the public wants is contrary to a gatekeeper model of care.

The group discussed developing a funding model versus just discussing funding.

It was suggested that there are four things that the HMOs always cover in their contracts: 1) transportation; 2) communications; 3) public education/ prevention; and 4) delivery of care. The importance of these activities as adding value for the payer was discussed. The importance of the value to the end user, especially those who do not have insurance was discussed.

It was suggested that the group look at the principal components of EMS as a continuum starting with the 911 call and including dispatch, first response, transport, emergency department/ hospital component, the medical control component, quality improvement, and administration. This was discussed and it was pointed out that there are some other components that belong on the continuum including prevention and disaster planning and response. It was noted that while all of these principal components of EMS services are needed, the two principal sources of funding are either tax dollars or insurance and the only two areas that are covered by insurance are transportation and the emergency department. None of the other components are covered by insurance. Whether are not payers would be willing to pay for the services such as dispatch and first response if they would save cost elsewhere was discussed, i.e., if some calls could be triaged out at dispatch or some things be treated at the scene by first responders and avoid transport and hospital costs, would the payers pay for dispatch and first responders?

It was noted that while Kaiser has the flexibility to move money and resources around to minimize their total cost, that is not true of Medicare and other health insurers which are set up to pay for specific services only. It was suggested that if the group is going to think visionary, we need to set up a system where all of the money goes into one pot and gets distributed from there. It was decided by the group to pursue such a Bank” model and discuss how it would work.

It was noted that since the money comes from a variety of sources, it will be a challenge to develop a central bank model i.e., a local government may not be willing to put the money that they now put into first responder services into a pot that someone else controls. The state would likewise not easily give control of SGF money to someone else.

It was suggested that a board of directors would be needed and that it would look similar to the Commission on EMS in its makeup, with all constituencies represented. It was suggested that the board could operate similar to the new department of managed care and that the board would have to report annually on how the money was spent. Accountability would be required.

The opinion was expressed that there should be some control at the local level. It was noted however, that a local government might want to take reduce its current expenditures for EMS in light of the existence of an EMS bank and use the bank monies instead of local monies. The group concluded that all current monies spent on EMS, local, state , and federal, would have to go into the bank, with accountability to the source for how the monies are spent.

How to assign a value for services was discussed briefly.

The committee decided that we need to determine all of the possible funding sources for EMS that are now in place, i.e., special district taxes, other taxes, etc., and that this detail work could not be accomplished today in the committee setting.

It was suggested that we discuss three questions: 1) Do we want to try and build some kind of state funding model; 2) Do we want to build this from the top down or the bottom up; and 3) Do we want to hire a consultant to help us. What other costing models exist that could be used was discussed. It was decided to pursue the bank model and committee members agreed that all of the pieces that we need to complete this model are available and that the committee members can bring them all together.

How to accomplish the task of developing the model was discussed. It was decided to work top down in order to avoid being mired in minutia. It was then decided to outline on a flip chart, how the bank would work . Following is a typed rendition of those charts:

“THE BANK”

- Statewide
- Oversight by Board of Directors (Stakeholders)
- Establish RVUs (Relative Value Scale) for all EMS functions/components
- Centralized (\$ PASB)
(For collection & accounting distribution)
- Establish governance structure of bank (By-Laws, “Branches”)
- Process for local allocation, accounting, etc.
- Revenue sources are taxes, insurance, other
- **All** money needs to be accrued to the fund
- This model establishes the floor

NEXT STEPS

- Meet/confer with governance